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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 26-80

WASHINGTON, Nov. 13--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

The AUSTRALIAN WHEAT BOARD reportedly has guaranteed CHINA shipments of at least 1 million tons of wheat during the final year of the current three-year China-Australia grains agreement. Additional wheat shipments will be discussed in February, when total outturn from this year's drought-affected Australian crop will be known. Since the China-Australia agreement calls for annual deliveries of 2 to 2.5 million tons, a sale of only 1 million tons suggests the Wheat Board may be concerned about this year's exportable supplies.

CHINA now has long-term grain-supply agreements with Canada, Argentina, France and the United States. A summary of these agreements in millions of tons is as follows:

<u>Supplying Country</u>	<u>Date Signed</u>	<u>Period</u>	<u>Annual Quantity</u>	<u>Grain</u>
Argentina	9/8	1981/84	1.0-1.5	Wheat, corn, soybeans
Australia	1/79	1979-81	2.0-2.5	Wheat
Canada	2/79	1979-80- 1981/82	2.8-3.5	Wheat
France	9/80	1980/81- 1982/83	0.5-0.7	Wheat
United States	10/80	1981-84	6.0-8.0	Wheat and corn
Total			12.3-16.2	

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MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

The AUSTRALIAN WHEAT BOARD, in conjunction with the Bread Research Institute of Australia, has been expanding its market development programs in Southeast Asia and the Middle East. Taking advantage of the recent growth in flour milling industries in these regions, the Board has conducted technical seminars and exchange programs. These activities helped boost Australian sales to Southeast Asia by about 60 percent between 1977/78 and 1979/80 (July/June) and to the Middle East by 230 percent. In 1977/78 Australia accounted for about one-fourth of the Southeast Asian market, by 1979/80 it accounted for about one-third. More dramatically, Australian participation in the Middle East wheat market has increased from about 20 percent in 1977/78 to over 50 percent in 1979/80.

The EUROPEAN COMMUNITY (EC) has authorized the payment of export restitution or subsidies for 500,000 tons of compound feeds, which could cost the Commission up to 250 million European Currency Units (ECU) or approximately \$40 million. It is suspected that the Soviet Union may be the ultimate destination for this feed, but the Commission will be unable to confirm this for several months.

The subsidies on mixed feeds vary from approximately 18 to 57 ECU's but it is thought that most of these mixed feed restitutions will be in the 50 to 57 ECU range.

Normally, the Community is not an exporter of animal feeds and it has acted to close this potential loop-hole in its export system by suspending all export restitutions for feeds. The Commission also is concerned that it could have to pay extremely large restitutions in the future, which could cause fiscal problems.

TOBACCO

MALAWI's 1980 tobacco auction closed Oct. 20 with sales of 54,410 tons of unmanufactured tobacco, up 1 percent from the 1979 level. However, the average price dropped by 16 percent to 109 tambala per kilogram (US\$1.36).

Flue-cured sales were up 5 percent to 26,301 tons, while the average price dropped 36 percent to 101 tambala per kilogram (US\$1.26). The drop in flue-cured prices was the result of a low-quality crop and the world over-supply situation. Burley sales were up 12 percent to 16,686 tons. The average burley price rose 10 percent to 118 tambala per kilogram (US\$1.48). Fire-cured sales dropped to 9,936 tons, down 19 percent from 1979. Average fire-cured prices rose 11 percent to 118 tambala per kilogram (US\$1.48). The 1980 fire-cured crop had dropped 50 percent to 9,820 tons from 19,778 tons in 1979, reflecting government efforts to reduce high stock levels by discouraging the production of this type of tobacco.

COTTON

The SOVIET UNION reportedly is harvesting its second consecutive record-high cotton crop. Reports indicate that deliveries through Oct. 26 totaled 9.2 million tons of seed cotton. Total deliveries may reach a record 9.6 million tons of seed cotton or approximately 13.8 million bales (480-lb net) of lint. The 1979 lint crop was estimated at 13.1 million bales. Weather has been favorable throughout the growing season and fertilizer and irrigation water reportedly were adequate.

HORTICULTURAL AND TROPICAL PRODUCTS

In SPAIN, the 1980 Queen table olive crop is believed to have declined by about 50 percent from last year's level of 15,000 tons, according to Spanish Government sources. The Manzanilla olive output is expected to be 25 percent smaller than the 48,000 tons of a year ago. Together, these varieties account for about 50 to 60 percent of Spain's total table olive exports.

EC Commission Regulation No. 1596/79 as amended sets the conditions under which early withdrawal of apples from the market may be made during the 1980/81 marketing year. The conditions specify that representative market prices must remain between 80 percent of the basic price and the buying-in price for five consecutive days. In addition, production must be in excess of a base level of 6.2 million tons by at least 5 percent, with preventive withdrawals no more than 40 percent of the surplus.

Since initial estimates for the 1980/81 season indicate EC apple output will exceed the base level by 796,000 tons, the Commission has already authorized the early withdrawal of 40 percent of this amount or 318,400 tons.

Varieties subject to preventive withdrawal include: Golden Delicious, Imperatore, Red Delicious and mutations, Stark Delicious, Starkcrimson, Black Stayman, Staymanred, Stayman Winesap, Richard, Macintosh Red, and Belle De Boskoop.

INTERNATIONAL WEATHER AND CROP SUMMARY, Nov. 3-9

EUROPE--A stationary high-pressure system in the northeast kept precipitation to the south for most of the week. Above-normal totals fell in most Mediterranean countries and northeastward into Eastern Europe. The moisture fell as snow in many areas, making conditions in the east quite unfavorable for maize harvesting. Temperatures dipped far below normal in all central and northern countries, bringing winter grain growth to an abrupt halt, but conditions should warm again, at least enough for renewed growth in central areas. The abundant rainfall in the south benefited winter grains, and temperatures remained sufficiently warm for continued growth.

EUROPEAN USSR--High pressure kept most of northwestern European USSR relatively dry, but above-normal precipitation occurred across the south and into the Volga Valley. The moisture fell as rain in the North Caucasus and southeastern Ukraine, but snow accumulated to substantial depths of more than 10 cm from the western Ukraine eastward through the Chernozem Region and Volga Valley into the Southern Urals. Snow depths, which exceeded 25 cm in some important crop areas, curtailed harvest activity. Low temperatures assured the snow remaining for awhile, and stopped winter grain growth, at least temporarily, earlier than normal in the south. Substantial portions of spring-planted crops reportedly remained either unharvested or exposed in the fields.

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EASTERN ASIA--Very little precipitation fell in most agricultural areas of China. Even the highest amounts of 10 to 15 mm, which fell in the Sichuan Basin, did not exceed normal. This weather provided excellent conditions for rice harvesting in southern China, and similar weather also prevailed in South Korea. Winter wheat in China continued its growth with good soil moisture.

SOUTH ASIA--Only the southern tip of India received substantial rainfall during the week. This pattern is fairly normal for November. Light rainfall may occur across the north, but November is one of the driest months of the year. Winter grains should have adequate soil moisture in most areas.

NORTHWESTERN AFRICA--Storms in southern Europe brought rains southward into all northwestern African grain areas. Greatest totals fell in Morocco, replenishing soil moisture after two relatively dry weeks. Winter grain there should now be in good condition. Lighter rains in grain areas of Tunisia and eastern Algeria maintained adequate moisture for the crop, but conditions in parts of western Algeria remained unfavorably dry. If winter grains have not yet been seeded in this dry area, they could wait until as late as December without serious losses in yield potential.

MEXICO--Seasonal sunny, dry weather over the north favored harvesting of citrus and cotton and growth of west coast vegetables. Light showers across the southern Plateau slightly improved soil moisture for late corn. Heavy showers again doused the Bay of Campeche coastal plain, interrupting harvest of corn, beans and other mature crops. Tropical Storm Jeanne formed in the extreme northwestern Caribbean on Nov. 9. The dry southwestern quadrant of this storm was over the Yucatan Peninsula.

SOUTHEAST ASIA--The first half of the week was dry in Thailand, but showers late in the week produced 25 to 50 mm of rain in the Central Plains, north of Bangkok. Weekly totals were well-above normal and this rain should help sustain levels for later irrigation purposes. The moisture should also benefit late planted wet-season crops. Rainfall amounts are expected to decrease significantly in Thailand during the upcoming weeks as the Intertropical Convergence Zone (ITC) now seems to be reasonably well-established south of the equator.

SOUTH AMERICA-- In Brazil, abundant rainfall has provided good soil moisture conditions for emergence and early growth of soybeans and maize in most southern and central crop areas. Moisture supplies were somewhat short in northern crop areas of Sao Paulo and Minas Gerais, but 25 to 50 mm of rain fell in portions of these two areas during the week. In Argentina, the maize crop in northern Buenos Aires and adjacent provinces benefited from 10 to 50 mm of rain. Generally less than 15 mm fell in southern Buenos Aires and minimal amounts fell to the west. The wheat harvest should be underway in Argentina with yield prospects possibly affected by dry weather in September.

SOUTH AFRICA--The northern portion of the Maize Triangle received about 10 mm of rain this past week. Showers have occurred in this region for the past three weeks which allowed maize to be planted. However, dry weather in southern portions of the Transvaal and most of the Orange Free State continued to hamper sowing. The late onset of the rainy season will cause serious concern not only with regard to poor soil moisture supplies at present but also for the likelihood of crop moisture stress associated with hot, dry weather during the reproductive period later in the crop cycle.

AUSTRALIA-- With the wheat harvest in full swing in many areas, except in Victoria where the harvest is usually about a month later, dry weather prevailed in Western Australia and much of New South Wales. A storm dropped 10 to 20 mm in South Australia and Victoria as it worked its way eastward during the week. Thus, while the weather is favorable for the wheat harvest, soil moisture supplies remain short in all areas except southeastern Australia. The good rains of late October in Queensland need to be supplemented with additional moisture to sustain spring-planted crops during their early vegetative growth.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Nov. 12, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
Wheat:				
Canadian No. 1 CWRS-12.5%..	<u>1/</u>	<u>1/</u>	<u>1/</u>	215.00
U.S. No. 2 DNS/NS: 14%.....	226.00	6.15	- 6	211.00
U.S. No. 2 DHW/HW:13.5%....	228.00	6.21	- 8	208.00
U.S. No. 2 S.R.W.....	226.00	6.15	-14	201.00
U.S. No. 3 H.A.D.....	304.00	8.27	- 4	255.00
Canadian No. 1 A: Durum....	<u>1/</u>	<u>1/</u>	<u>1/</u>	272.00
Feedgrains:				
U.S. No. 3 Yellow Corn.....	174.50	4.43	+ 2	142.00
U.S. No. 2 Sorghum <u>2/</u>	188.50	4.79	+17	146.00
Feed Barley <u>3/</u>	198.00	4.31	+15	<u>1/</u>
Thailand Tapioca.....	162.85	--	-2.27 <u>5/</u>	--
Soybeans:				
U.S. No. 2 Yellow.....	353.75	9.63	-52	285.00
Argentine <u>4/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
U.S. 44% Soybean Meal (M.T.)	335.00	--	-12.00 <u>5/</u>	250.00
EC Import Levies				
Wheat <u>6/</u>	74.20	2.02	-24	95.28
Barley.....	46.65	1.02	-15	85.33
Corn.....	81.95	2.08	-25	113.07
Sorghum.....	65.00	1.65	-20	106.55

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton.

6/ Durum has a special levy.

NOTE: Basis December delivery.

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